

Accounts Receivable

Monies Owed to the Commonwealth

The Virginia Debt Collection Act

- Sets the Commonwealth's overall policy for accounting for, managing, and collecting receivables owed to the Commonwealth.
- Calls for taking all appropriate and cost effective actions to aggressively collect all accounts receivable.

DOA Responsibilities Under the Act

- Oversight, monitoring, and reporting of the Commonwealth's receivables
- Setting policies and procedures for reporting, accounting for, and collecting receivables
- Reporting on receivables status of State agencies

DOA Initiatives and Tools

- Commonwealth Accounting Policies and Procedures (CAPP) Manual.
- Financial statement preparation instructions and attachments.
- Training for all agencies using the web-based receivables reporting system.

DOA Reporting

- To keep elected and appointed officials informed, DOA issues the **Comptroller's Report on Statewide Financial Management and Compliance** each quarter, which summarizes statewide and agency receivables statistics.
- Annually, DOA prepares and issues the State's Comprehensive Annual Financial Report (CAFR).

Agency Responsibilities (1 of 2)

Virginia Debt Collection Act requirements:

- Follow policies and procedures issued by DOA and the Office of the Attorney General.
- Develop internal controls, policies and procedures to properly account for and report receivables.
- Report receivables information to DOA quarterly and for inclusion in the Commonwealth's CAFR.

Agency Responsibilities (2 of 2)

- Agencies should ensure that their systems properly account for, record, and manage their accounts receivable.
- Controllable Areas:
 - Billings
 - Collections
 - Adjustments
 - Records of transactions
 - Accurate aging of accounts
 - Reporting

Key Internal Controls

- All accounts that should be billed are billed.
- The billings are accurate and timely.
- All collections are posted to the proper accounts.
- All adjustments are reviewed and approved by management.
- Accounts are properly aged.
- All transactions are properly recorded and reported.

Office of the Attorney General

Division of Debt Collection

- Agencies are required to send accounts over \$2,999 and 60 days past due to the Division unless they have demonstratively effective in-house collection procedures.
- Agencies are requested to adhere to the Attorney General's published "Collection Procedures."

Recent Developments

- The 2004 legislative session changed the submission time from 90 to 60 days past due to send accounts to the Attorney General or a private collection agency.
- DOA brought the web-based receivables reporting system online to facilitate agency reporting and eliminate paper.

References (1 of 2)

- CAPP Manual Topics
 - [20505](#), Accounts Receivable
- DOA Directives
 - [No. 1-05](#), Financial Statement Template Preparation for Higher Education Institutions, 6/30/2005
 - [No. 2-05](#), Directive Compliance Guidelines for State Agencies, 6/30/2005

References (2 of 2)

■ Internet

- Instructions for Using the Accounts Receivable System,
www.doa.virginia.gov/Financial_Reporting/Accounts_Receivable/Accounts_Receivable_Main.cfm
- Office of the Attorney General – Division of Debt Collection – Collection Procedures,
www.doa.virginia.gov/Financial_Reporting/Accounts_Receivable/Accounts_Receivable_Main.cfm

■ Other

- Code of Virginia [Section 2.2-4800 – 4808](#), Virginia Debt Collection Act

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